

BEFORE THE STATE AUDITOR AND COMMISSIONER OF INSURANCE
STATE OF MONTANA

IN THE MATTER OF:

Case No. 2004-32

THE GLOBAL HEALINGS SOCIETY,
JOSEPH MICHAEL GARDINIER,
also known as
DR. REV. JOSEPH MICHAEL GARDINIER
and DR. REV. JOSEPH-MICHAEL:
GARDINIER®,
and/or their agents, representatives, and
assignees,

FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND ORDER

AND NOTICE OF
OPPORTUNITY FOR
JUDICIAL REVIEW

Respondents.

On November 15, 2004, a Temporary Cease and Desist Order and Opportunity for Hearing and a Notice of Proposed Agency Action and Opportunity for Hearing were issued to Respondents The Global Healings Society (hereafter, Global) and Joseph Michael Gardinier, also known as Dr. Rev. Joseph Michael Gardinier and Dr. Rev. Joseph-Michael: Gardinier®, (hereafter, Gardinier) alleging violations of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 *et seq* , and specifically that Respondents are acting as unauthorized insurers. Respondents were served on November 29, 2004, and sent a written response which was received by the Insurance Department of the State Auditor's Office (hereafter, DOI) on December 6, 2004.

A Hearing Examiner was appointed and, pursuant to mailed notice, a hearing was held on December 22, 2004. The hearing was conducted pursuant to the hearings and appeals provisions of the Montana Insurance Code, Mont. Code Ann. § 33-1-701 *et seq* , and the contested case provisions of the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-601 *et seq.* , and Montana's statutory, public participation in governmental operations notice and hearing provisions, Mont. Code Ann. § 2-3-101, *et seq.*

At the contested case hearing, Jennifer Massman, Legal Counsel for the Montana State Auditor's Office, represented the DOI. Respondents did not appear nor did any counsel appear

1 on their behalf.

2 Testimony was received from Dee Glowacki, insurance examiner, and Neil Brunett,
3 insurance investigator, on behalf of DOI. The following documents were offered by DOI without
4 objection and received into evidence: May 18, 2004, "Fax" from Larry H. Dvorak to DOI with
5 attached "The Auto Bond" membership application filled out in the name of Harold Charles
6 Dahl, Fairview, Montana (Exhibit A); assorted print-outs titled "Mission Statement,"
7 "Educational Program," and "Global Give Away," etc. from The Global Healings Society
8 website at www.globalhealingsociety.org (Exhibit B); assorted print-outs titled "a 508 Corp
9 Sole Ministry The Community Financial Bond," "The Community Financial Bond a 508 Corp
10 Sole Ministry," "Declaration of Truth by Dr. Rev. Joseph-Michael Gardinier," "Disclaimer
11 Notice," "General Frequently Asked Questions," etc. from The Global Healings Society website
12 at http://portal.hehas.org (Exhibit C); "TCFB Membership Application Form" (Exhibit D); "The
13 Auto Bond" (Exhibit E); "Health Bond" (Exhibit F); "The Home Equity Bond" (Exhibit G);
14 "The Benefit For Life Bond" (Exhibit H); and November 30, 2004, "Sheriff's Return of Service"
15 in Cause No. 2004-32 (Exhibit I).

16 The Hearing Examiner's Proposed Findings of Fact, Conclusions of Law and Order were
17 issued in this matter on January 28, 2005. Subsequently the State Auditor and Commissioner of
18 Insurance (Commissioner) issued a Scheduling Order setting February 25, 2005, as the deadline
19 for the filing of exceptions to the Hearing Examiner's Proposed Findings of Fact, Conclusions of
20 Law and Order with the State Auditor's Office.

21 Respondents returned the Hearing Examiner's Proposed Findings of Fact, Conclusions of
22 Law and Order to the Hearing Examiner along with a letter dated February 23, 2005, indicating
23 that the document enclosed with the letter was their "draft Finding of Fact and Conclusions of
24 Law." Counsel for the DOI considered this submission to be Respondents' exceptions to the
25 Hearing Examiner's Proposed Findings of Fact, Conclusions of Law and Order and timely filed a
26 response asserting that the Hearing Examiner's Proposed Findings of Fact, Conclusions of Law
27 and Order are well founded and should be adopted. The Respondents did not request oral
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1 argument before the Commissioner with regard to their proposed exceptions to the Hearing
2 Examiner's Proposed Findings of Fact, Conclusions of Law and Order nor did counsel for the
3 DOI in their response. Accordingly, a hearing for oral argument on exceptions to the Hearing
4 Examiner's Proposed Findings of Fact, Conclusions of Law and Order was not scheduled.

5 Having reviewed the complete record in these proceedings, the State Auditor and
6 Commissioner of Insurance hereby adopts the Hearing Examiner's Proposed Findings of Fact,
7 Conclusions of Law, and Order as follows:

8 FINDINGS OF FACT

9 1. Dee Glowacki testified to the DOI's receipt of a faxed inquiry from Larry H.
10 Dvorak inquiring as to whether "The Auto Bond" attachment to his fax (indicating payments are
11 to be made to Global) was a legitimate motor vehicle liability insurance product offered by a
12 legitimate company. The faxed inquiry included a completed application for The Auto Bond
13 product for another Montana resident, Harold Charles Dahl, Fairview, Montana, and dated May
14 12, 2004. (Exhibit A.) After ascertaining that Global did not hold a DOI issued Montana
15 Certificate of Authority, Glowacki turned the matter over to John Tarr, DOI's Chief Investigator
16 for further investigation.

17 2. Tarr appointed Neil Brunett as the investigator for this matter. In the course of the
18 investigation, Brunett contacted the two Montanans regarding the faxed inquiry and the
19 completed application for The Auto Bond. Each believed that they were solicited by phone to
20 purchase The Auto Bond and that it was motor vehicle liability insurance.

21 3. After determining that an unauthorized insurer was offering illegitimate motor
22 vehicle liability insurance, Brunett contacted Global by phone at the number listed on the
23 application and spoke with a representative, Eloïse Igitol, who advised that Global had sold
24 several products in Montana, but refused to identify the type of products or the individuals who
25 purchased them. Additionally, the representative refused to provide a physical address for Global
26 and instead referred Brunett to the mailing address listed on the application: "In care of Post
27 Office Box 732169, Puyallup, Washington near [98373]." (Exhibit A.)
28

1 4. Brunett researched the Internet for information regarding Global and The Auto
2 Bond. Brunett found a website for Global at www.globalhealingsociety.org, which identified
3 Joseph Michael Gardinier, also known as Dr. Rev. Joseph Michael Gardinier and Dr. Rev.
4 Joseph-Michael: Gardinier®, as the "Founder and Caretaker of The Global Healings Society."
5 The website listed the contact address for Gardinier and Global as:

6 In care of Post Office Box 732169
7 Puyallup, Washington near [98373]
8 Office: (360) 893-2993

9 (Exhibit B.) Additionally, the website provided information regarding Global's educational
10 program on how to make UCC filings to free citizens from debt, i.e. "how to use Commercial
11 processes and other information related to living as a Sovereign citizen, helping to make every
12 day in your life a FREE day." The website also included a document titled "The American
13 Awakening" attributed to Gardinier and supposedly copyrighted by Global regarding its apparent
14 philosophy and beliefs, including: the Queen of England still rules the U.S.A. on paper through
15 lawyers; Washington, D.C. was incorporated like a business and so the federal government is a
16 business entity; the federal government of the U.S.A. has been bankrupt for years, but stayed in
17 business by pledging the citizens of the U.S.A., using a legal fiction by creating a corporate
18 acronym using each individual's "ALL CAPITAL LETTERS NAME," as collateral against its
19 currency and therefore all citizens are bankruptcy debtors; to have the rights of a bankruptcy
20 creditor and become a priority creditor, a citizen must file a UCC lien on himself using his "ALL
21 CAPITAL LETTERS NAME" and listing himself in his "proper Birth given name" as the
22 secured party. (Exhibit B.)

23 5. During his Internet research, Brunett found a linked website for Global at
24 <http://portal.hehas.org>, which included the same contact information for Global and Gardinier.
25 This website indicated that Global and Gardinier sell several products including "The Auto
26 Bond," "The Health Bond," "The Home Equity Bond," and "The Benefit for Life Bond." This
27 website also included a "Disclaimer Notice" for these products with a limited description of the
28 products and denying that the products constitute insurance. (Exhibit C.)

1 6. The Community Financial Bond "TCFB Membership Application Form" for the
2 products offered by Global and Gardinier was also available on the website. (Exhibit D.)
3 Brunett testified that this application form is different (appearing to have been changed on 10-19-
4 04) from the format of the Exhibit A attachment in that it includes several insurance products
5 (Auto Bond, Health Bond, Home Equity Bond, and Student Bond), whereas the latter form was
6 exclusively for The Auto Bond product. (Exhibits A and D.)

7 7. Brunett testified that the website also included a section specifically regarding The
8 Auto Bond product. (Exhibit E.) In this section, the description for The Auto Bond product
9 states that for payment of a \$300.00 annual membership fee, each member receives "full
10 coverage" on up to three autos/vessels "with no deductible" and would be issued a "Financial
11 Responsibility Bond and Card" for each. The sample "Automobile Financial Responsibility"
12 card states a "Full Coverage of up to One Million" is provided. (Exhibit E.) The Auto Bond
13 product description also indicates that once a membership of 1,000 is reached, then all members
14 would contribute equally to satisfy a member's "claim." The description further states:

15 Until The Auto Bond has 1,000 members in its membership body we may not be
16 able to assist you with your expenses should an incident arise. We will look at
17 each incident on a one-on-one basis, meaning if we can help out we will, but if we
cannot we won't. You may want to consider keeping your current insurance valid
until the 1,000 member-mark is achieved.

18 (Exhibit E.)

19 8 Brunett further testified that the website included a section specifically regarding a
20 "Health Bond" product. In this section, the Health Bond description indicates that for payment
21 of \$300.00 annually for the primary member and \$300.00 for each additional family member, the
22 member will receive a "Financial Responsibility Bond and Card" for "*major* Medical and
23 Dental" coverage. The Health Bond product description also indicates that once a membership
24 of 5,000 was reached, then all members would contribute equally to satisfy a member's claim.
25 (Exhibit F.) No coverage limit is specified. The description further states:

26 Until The Health Bond has 5,000 members in its' [sic] membership body we may
27 not be able to assist you with your expenses should an incident arise. We will
look at each incident on a one-on-one basis and help if we can. You may want to

1 consider keeping your current coverage valid until the 5,000 member mark is
2 achieved.

3 (Exhibit F.)

4 9. Brunett also testified that the website included a section specifically regarding
5 "The Home Equity Bond." In this section, The Home Equity Bond description indicates that a
6 payment of \$300.00 annually would provide coverage or indemnification up to \$500,000.00 for
7 "your home or land in case of any damages Natural or other . . . including all personal items lost
8 from fire or theft." Additionally, members would receive "a Financial Responsibility Agreement
9 that's valid for Home owner protection on one legal description (non-commercial) in these
10 several united States of America and Internationally." (Exhibit D.) The description further
11 states:

12 Until The Home Equity Bond has 5,000 members in its membership body we may
13 not be able to assist you with your expenses should an incident arise. We will
14 consider each incident on a one-on-one basis, if we can assist, we will. You may
15 choose to continue your current coverage valid until the 5,000 member-mark is
16 achieved.

17 (Exhibit G.)

18 10. According to the application, The Benefit for Life Bond would provide financial
19 assistance in regard to the "loss of a loved one." (Exhibit D.) Brunett testified the website also
20 included a section specifically regarding The Benefit for Life Bond which indicates that a
21 payment of \$300.00 annually for the member and \$300.00 for each immediate family member
22 would provide coverage. (Exhibit H.) Members could receive up to \$1,000,000.00 provided that
23 there were 30,000 members and each contributed \$33.34. (Exhibit C.) Two requirements for
24 coverage are that an individual be "a member at least one year prior to submitting a claim, second
25 contribute a proportionate share in the assistance of other members in their time of need."

26 (Exhibit H.)

27 11. The Auto Bond, The Health Bond, The Home Equity Bond, and The Benefit for
28 Life Bond products provide indemnification or pay or provide a specified or determinable
amount or benefit upon determinable contingencies.

1 12. Brunett testified to contacting the Washington State Office of the Insurance
2 Commissioner who informed him that neither Global nor Gardinier were authorized insurers in
3 the State of Washington.

4 13. DOI records indicate that neither Global nor Gardinier were authorized to act as
5 insurers in Montana.

6 14. Brunett testified to checking the online services and listings of the Secretary of
7 State's Offices for Washington and Montana and found that Global was not authorized to
8 transact business and conduct its affairs in either state. nor was there a registered agent. As a
9 result, DOI arranged for Gardinier, individually and as a representative of Global, to be served
10 personally by the Pierce County, Washington, Sheriff's Office with the Temporary Cease and
11 Desist Order and Opportunity for Hearing and the Notice of Proposed Agency Action and
12 Opportunity for Hearing. Gardinier was served on November 29, 2004 at 15407 264th St.,
13 Graham, Washington. (Exhibit I.)

14 CONCLUSIONS OF LAW

15 1. According to Mont. Code Ann. § 2-15-1903, the State Auditor is the Commissioner
16 of Insurance (Commissioner).

17 2. The Montana Department of Insurance (DOI) is under the control and supervision of
18 the Commissioner. Mont. Code Ann. §§ 2-15-1902 and 33-1-301

19 3. The Commissioner has jurisdiction over this matter pursuant to Mont. Code Ann. §
20 33-1-311. Section 33-1-311, Mont. Code Ann., requires the Commissioner to enforce the
21 applicable provisions of the insurance laws of this state. Under Mont. Code Ann. § 33-1-311(3),
22 the Commissioner has a duty to "ensure that the interests of consumers are protected" and under
23 Mont. Code Ann. § 33-1-311(2) has authority as may be reasonably implied by the Insurance
24 Code provisions.

25 4. Pursuant to Mont. Code Ann. § 33-1-102(1), a person or entity may not transact a
26 business of insurance in Montana or a business relative to a subject resident, located, or to be
27 performed in Montana without complying with the Montana Insurance Code, Mont. Code Ann. §
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33-1-101, *et seq.*

5. Section 33-1-201(5), Mont. Code Ann., defines "insurance" as a contract whereby one undertakes to indemnify another or pay or provide a specified or determinable amount or benefit upon determinable contingencies.

6. Section 33-1-201(6), Mont. Code Ann., defines an "insurer" as including every person or entity engaged as an indemnitor, surety, or contractor in the business of entering into contracts of insurance.

7. No person or entity shall act as an insurer and/or transact insurance in Montana except as authorized by a certificate of authority issued by the Commissioner. Mont. Code Ann. § 33-2-101.

8. The Auto Bond, The Health Bond, The Home Equity Bond, and The Benefit for Life Bond products solicited and/or sold by Global and Gardinier constitute "insurance" in that the products indemnify participants/members or pay a specified or determinable amount or benefit upon determinable contingencies. Mont. Code Ann. § 33-1-201(5) In addition, Global and Gardinier acted as insurers by engaging in these programs. Mont. Code Ann. § 33-1-201(6).

9. By soliciting and/or selling insurance in Montana without a certificate of authority, Global and Gardinier are each in violation of Mont. Code Ann. § 33-2-101.

10. On November 29, 2004, Global and Gardinier were duly served with the Temporary Cease and Desist Order and Opportunity for Hearing and the Notice of Proposed Agency Action and Opportunity for Hearing pursuant to Mont. Code Ann. § 33-1-314(4) and Rule 4D of the Montana Rules of Civil Procedure.

ORDER

I. ORDER TO PERMANENTLY CEASE AND DESIST

The Global Healings Society (Global) and Joseph Michael Gardinier, also known as Dr. Rev. Joseph Michael Gardinier and Dr. Rev. Joseph-Michael: Gardinier®, (Gardinier) have each engaged or are about to engage in acts or practices constituting violations of the Montana Insurance Code, Title 33, Chapter 2. Pursuant to Mont. Code Ann. § 33-1-318, Global and

1 Gardinier each are hereby ordered to cease and desist from soliciting, selling, or operating The
2 Auto Bond, The Health Bond, The Home Equity Bond, and The Benefit for Life Bond or
3 engaging in any act, practice, or course of conduct that operates or would tend to operate as an
4 insurer without a certificate of authority from the Commissioner in violation of Mont. Code Ann.
5 § 33-2-101.

6 **II. ORDER FOR ADMINISTRATIVE FINE**

7 1. An administrative fine of \$25,000.00 for each violation of the Montana Insurance
8 Code may be imposed upon any person or entity. Mont. Code Ann. § 33-1-317. The Global
9 Healings Society (Global) and Joseph Michael Gardinier, also known as Dr. Rev. Joseph Michael
10 Gardinier and Dr. Rev. Joseph-Michael: Gardinier®, (Gardinier) have been acting as
11 unauthorized insurers in regard to The Auto Bond, The Health Bond, The Home Equity Bond,
12 and The Benefit for Life Bond insurance products solicited and/or sold in Montana.

13 2. In accordance with Mont. Code Ann. § 33-1-317, for soliciting and/or selling each of
14 these four insurance products, Global and Gardinier each are hereby fined the sum of \$25,000.00
15 as an administrative fine to the State Auditor and Commissioner of Insurance, for a total
16 administrative fine of \$100,000.00 each.

17 **NOTICE**

18 Respondents are hereby notified that they have the right to request judicial review of this
19 Order by filing a petition in for judicial review within 30 days of service of this Order with the
20 district court in Lewis and Clark County, Montana, as provided in Mont. Code Ann. §§ 2-4-702
21 and 33-1-711.

22 DATED this 24th day of March, 2005.

23 JOHN MORRISON
24 State Auditor and Commissioner of Insurance

25
26 By: Alicia Pichette
27 Alicia Pichette
28 Deputy Commissioner of Insurance

CERTIFICATE OF SERVICE

I hereby certify that on the 24 day of March, 2005, I served a true and accurate copy of the foregoing **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER AND NOTICE OF OPPORTUNITY FOR JUDICIAL REVIEW** upon the Respondents by U.S. first class mail, postage prepaid, at the following addresses:

Joseph Michael Gardinier
The Global Healings Society
15407 264th Street
Graham, WA 98338

Joseph Michael Gardinier
The Global Healings Society
P.O. Box 732169
Puyallup, WA 98373

And upon Legal Counsel for the Insurance Department by hand delivery at the following address:

Jennifer Massman
Insurance Department
State Auditor's Office
840 Helena Avenue
Helena, MT 59601


